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THE ONTARIO TOURISM OUTLOOK
1999-2003

Forecast completed in November of 1999

100-04692/

SUMMARY

Moderate Growth Predicted for Tourism

While no crystal ball will tell us what the future holds for tourism in Ontario, important clues can be found in an examination of visitation and spending data from the past few years.

The Ministry of Tourism's *Ontario Tourism Outlook 1999-2003* report is a forecast of the level of activity expected for the province's tourism sector through 2003. The report's findings are based on an examination of recent tourism data and private sector economic projections. The analysis used the Ontario Tourism Forecasting Model II (1999) to examine the factors that affect visitation and expenditures.

For example, one factor studied was disposable income. If salaries increase, people will spend more money on a variety of things, including travel. The forecasting model was used to determine to what extent income levels contribute to the ups and downs in tourism expenditures.

Such forecasts help to identify the key trends that will affect the industry. Tourism operators can then use this information about the direction visitation numbers and expenditures will likely take to make better business planning decisions. The *Outlook 1999-2003* report reveals some interesting trends and observations.

Canadian dollar:

Nothing influences Ontario's tourism more than the value of the Canadian dollar. It has a direct impact on the number of people who visit Ontario and on the number of Ontarians who travel abroad. Recent weakness in the dollar has resulted in an increase in visitors from the US while inhibiting Ontarians from travelling outside the province. At the same time, strong US and local demand for Ontario's tourism product has caused tourism prices here to move ahead of both consumer prices and the costs of other travel destinations.

The Canadian dollar is now showing some recovery (and this appreciation is expected to continue). A stronger dollar, combined with continued high tourism prices, will inhibit further travel gains in Ontario. Foreigners will find it more expensive to visit. At the same time, a stronger dollar means more Ontarians will be able to afford to visit the US rather than travel at home.

Disposable income:

Although Ontario's economy began to improve in the mid-1990s, it wasn't until the end of the decade that people really felt the recovery in their wallets. In 1998, disposable income increased sharply. And with more money to spend, Ontarians began to travel more. These gains in disposable income will continue to fuel both travel within the province and outbound travel.

However, the impact of increased disposable income on Ontario's tourism sector will be mixed. While stronger incomes will boost travel, Ontarians with more money to spend will likely journey outside the province. The projected appreciation of the Canadian dollar will also dampen

inbound foreign travel and contribute to increased travel by Ontarians abroad. Therefore, both visits and tourist spending in Ontario may decline.
Real disposable income in Ontario, that is disposable income adjusted for the effects of inflation, experienced a strong growth in 1998, but this growth is expected to weaken in 1999. Sustained gains in real disposable income are expected to resume in 2000 and continue through the end of the forecast period.

Tourism prices:

Is Ontario's tourism sector pricing itself out of a market? Why are our tourism prices rising ahead of other consumer prices? And why are they continuing to move ahead of tourism prices in the rest of Canada and the US?

The value of the Canadian dollar, the large numbers of inbound visits and the level of spending by tourists are all factors that affect tourism prices. Also, prices usually reflect supply and demand; when business is good, prices are likely to rise.

Strong US inbound travel and an increase in the number of Ontarians travelling at home, (caused by the fluctuating Canadian dollar), has resulted in a relatively strong tourism demand. This has caused Ontario's tourism prices to increase more than tourism prices of other destinations and also more than the rate of inflation.

This trend is expected to continue through 2000. Tourism prices in Ontario will continue to outpace prices in the rest of Canada. However, as the Canadian dollar appreciates, and as the travel balance surplus moderates, it's expected that the growth in Ontario's tourism prices will soften.

Some predictions to 2003:

Travel balances (visits to Ontario less visits from Ontario)

- The surplus of visits in Ontario that began in 1995 likely peaked in 1999 and is expected to moderate through the forecast period

Intraprovincial (travel by Ontarians in Ontario)

- Visits by Ontarians traveling at home surged ahead in 1998 and 1999 and will level off, or perhaps weaken, by 2001

Inbound (travel from outside Ontario to Ontario)

- After experiencing strong gains in the `90s, there was some moderation of inbound travel in 1999 – expect weaker growth in 2000 and a decline in 2001

Outbound (travel by Ontarians outside Ontario)

- More Ontarians began traveling abroad in 1998 and 1999, and further increases are expected through 2003

How to use this report:

The *Ontario Tourism Outlook 1999-2003* report examines visits, spending, and factors that affect tourism for each market segment. These categories are accompanied by a brief summary discussing tourism performance and projections, as well as a bar graph displaying historical data and forecast trends. A complete list of all data examined is contained in the table (Ontario Tourism Outlook) on pages 12 and 13. The following Table of Contents lists the market segments and categories analyzed in this report.

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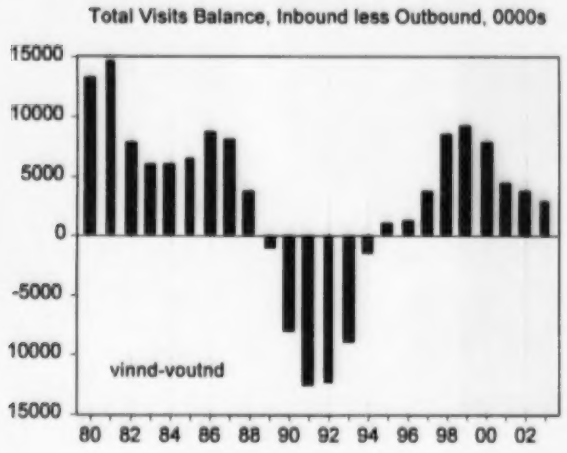
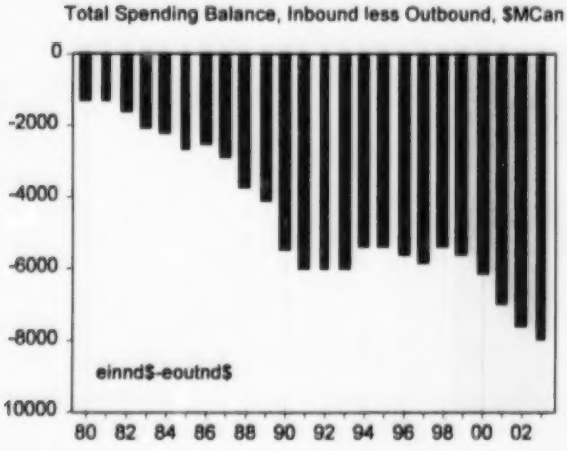
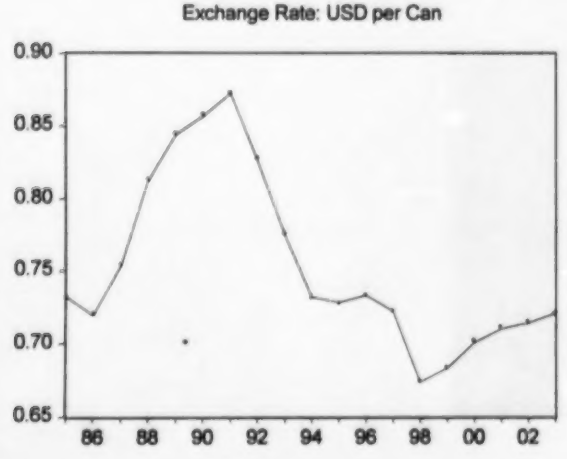
1. Overview







Travel Balances

Visits

The balance on visits - visits into Ontario less visits from Ontario - moved into a positive surplus position in 1995 after six years of deficit. In 1999 both same-day and overnight visits were in surplus. The total surplus on visits rose substantially in 1998 due to both strong gains in inbound visits and strong declines in outbound visits. Further gains to the surplus are expected in 1999,but this is likely to be the turning point. The surplus is expected to then moderate through the forecast period as outbound visits pick up pace.

Spending

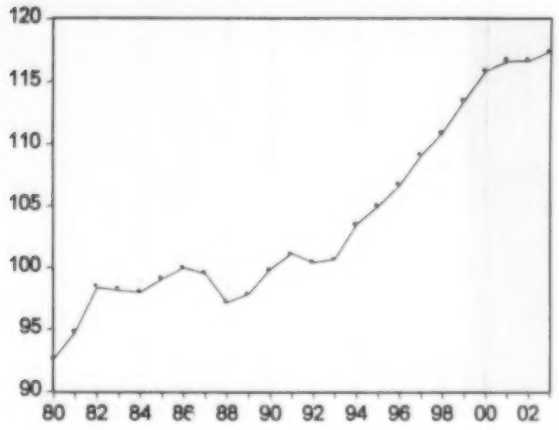
The balance on spending - spending into Ontario less spending from Ontario - has been in a deficit position since data started to be recorded in the late 1970s. However, while overnight spending is in deficit, same-day spending is in surplus. The deficit on total spending has remained fairly flat through most of the 1990s, though the modest decline in 1998 is expected to reverse in 1999. The outlook is for the deficit to deteriorate thereafter through the forecast period, primarily because of strong gains in outbound spending.

Factors Affecting Travel

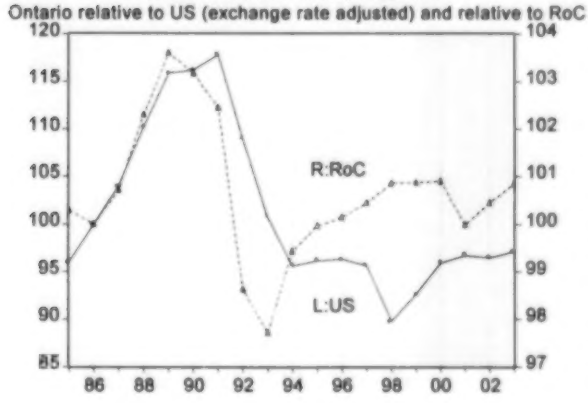
The Canadian Dollar

The single most important determinant of the Ontario tourism outlook has been and, over the near term, will continue to be the fluctuations in the Canadian dollar. The severe depreciation of the Canadian dollar versus the US dollar over the past few years has stimulated foreign inbound travel while depressing foreign outbound travel. This has been more pronounced for the US market since the Canadian dollar, carried by the appreciation of the US dollar, has depreciated less

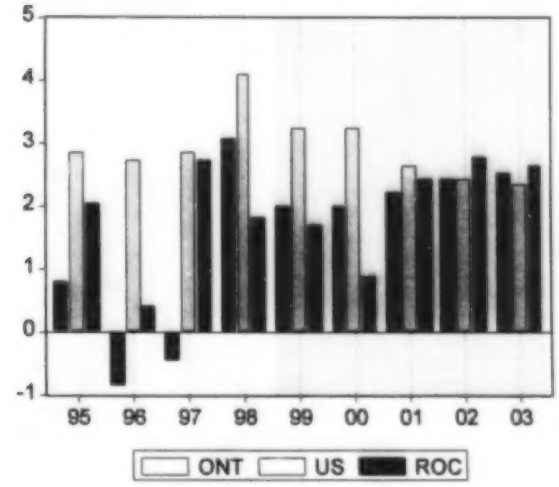
Ontario TPI relative to CPI, 1986=100



Relative Tourism Prices, 1986=100
Ontario relative to US (exchange rate adjusted) and relative to RoC



Disposable Income, Inflation Adjusted, Percent Change



against other currencies. However, the impact on total spending and on spending per visit has been mixed on both foreign inbound and outbound travel. This would seem to depend on whether travellers make spending decisions denominated in their own or in the currency of their destination.

The projected appreciation of the Canadian dollar will dampen foreign inbound travel while boosting foreign outbound travel. However, the magnitude of the projected currency appreciation versus the US dollar is muted and so is its impact on travel.

Relative prices

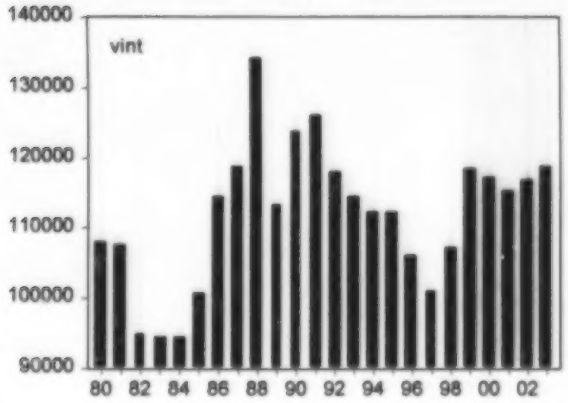
The exchange rate is a major component of relative tourism prices. The other components are, of course, the tourism prices themselves. The strength in inbound visits and spending - as indicated by the buildup in the visit balance surplus - has caused the Ontario tourism price index to move significantly ahead of general consumer prices in Ontario and especially ahead of tourism prices in the rest of Canada and in the US. For the US market this has been mitigated by the depreciation of the currency. But this is obviously not the case for the rest of Canada, or for the other major overseas markets. As the Canadian dollar appreciates and as the visit balance surplus moderates, we do expect the growth in Ontario's tourism prices to moderate.

Disposable Incomes

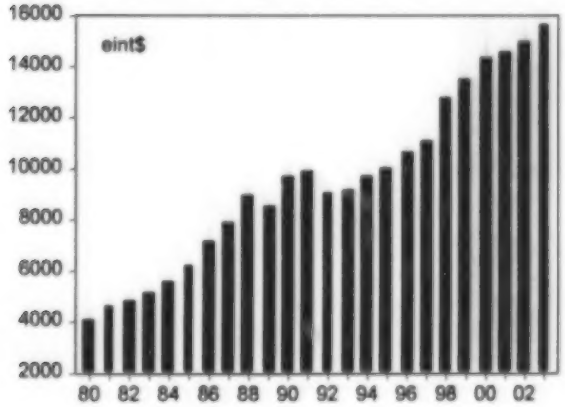
The third major determinant of the Ontario tourism outlook is disposable income. Disposable income in Ontario has only started to show strong gains that will fuel gains in both intraprovincial and outbound travel.
The continued strength of the US economy has contributed towards the strength in US visits, but forecasters are perennially calling for the economy to slow down in the near term. Disposable income growth in the rest of Canada has slowed down since the strong gains in 1998 and will weaken again in 2000, contributing to a weakness in this market.

Travel to Ontario

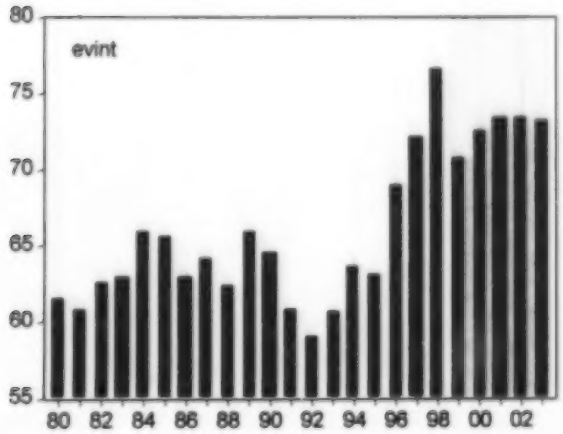
Visits from all Origins to Ontario, 0000s



Spending from all Origins in Ontario, $MCan



SPV from all Origins in Ontario, Constant $Can



Visits

Visits to Ontario from all origins - including Ontario - appear to have bottomed out in 1997, and the modest gains of 1998 are expected to be reinforced in 1999, primarily because of strong gains in the intraprovincial travel. Visits to Ontario are subsequently expected to level off with some weakness in 2001. This will reflect a weakening in both intraprovincial travel and inbound travel.

Spending

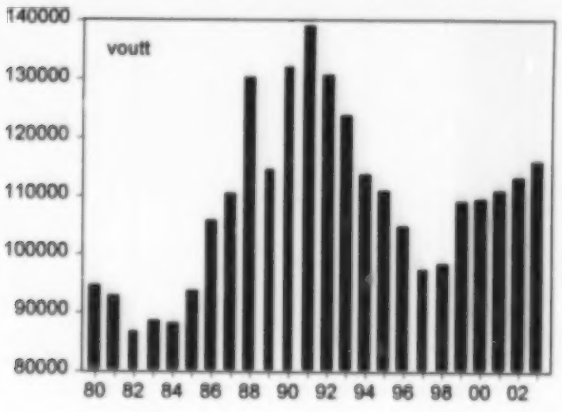
Spending on visits from all origins - including Ontario - has trended upwards since 1992 with strong gains in 1998 and more moderate gains in 1999. The outlook is for continued gains though at a slower pace. The recent gains in spending have reflected the gains in the inbound market, especially in 1998. In contrast, intraprovincial spending has only shown gains since 1997 after declines through most of the 1990s. Although spending in both markets is expected to rise through the forecast period, spending in the intraprovincial market is expected to be particularly strong over the short term.

Spending per visit

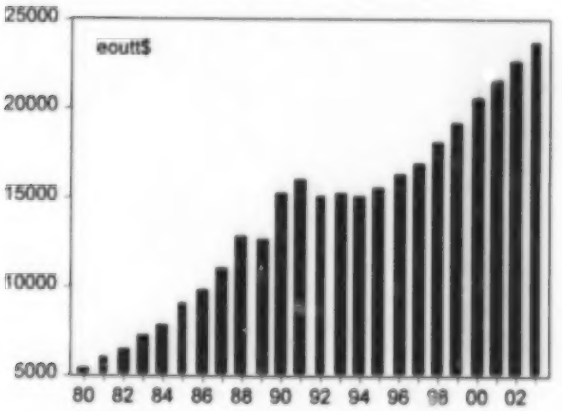
There has been a sharp increase in spending per visit adjusted for inflation since 1995. This has been primarily due to strong gains in intraprovincial spending per visit. However, preliminary data suggests that the sharp rise in spending per visit in 1998 has probably been reversed in 1999. The forecast is for spending per visit to recover before levelling off in 200 Both intraprovincial and inbound spending per visit are expected to level off starting in 2001.

Travel from Ontario

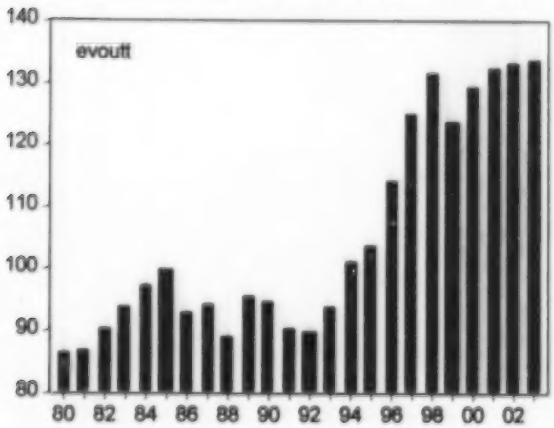
Visits from Ontario to all Destinations, 0000s



Spending from Ontario in all Destinations, $MCan



SPV from Ontario in all Destinations, Constant $Can



Visits

Visits from Ontario to all destinations - including Ontario - have been in decline through most of the 1990s. Visits from Ontario levelled off in 1997 and 1998, and this market is now expected to rebound in 1999 before levelling off in 2000. Only modest gains are expected thereafter. The strong gains in 1999 are primarily due to strong gains in intraprovincial travel, which has continued to recover since 1997. However, this sector is now expected to remain generally flat through the rest of the forecast period. The outbound sector appears to have bottomed out in 1998, and strong gains are projected in 2000 and through the rest of the forecast period.

Spending

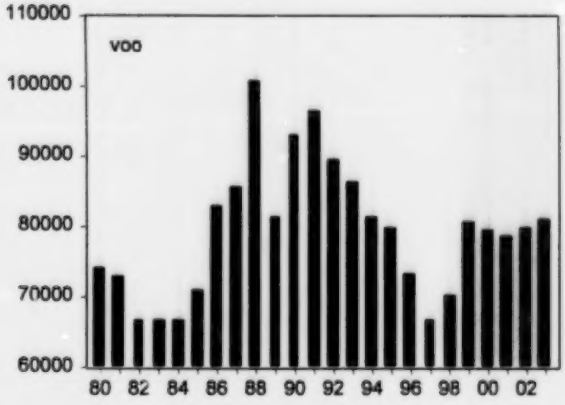
Spending on visits from Ontario to all destinations - including Ontario - has trended upwards since 1994, and further gains are expected through the forecast period. For the most part, this reflects the strong recovery of the intraprovincial sector.

Spending per visit

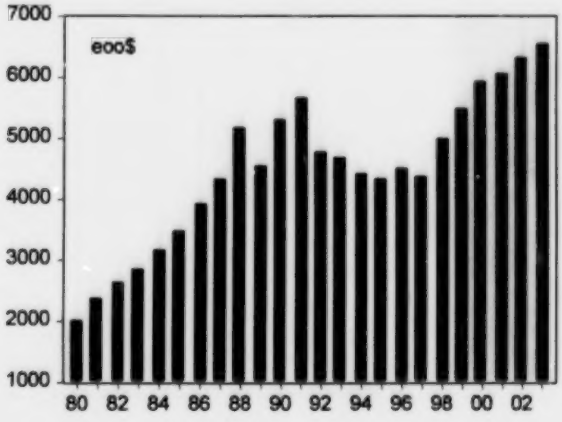
Spending per visit (adjusted for inflation) has surged upward since 1992 and probably peaked in 1998. The strong gains of 1998 appear to have been reversed in 1999. Preliminary data suggests that this is due to a decline in intraprovincial travel. The forecast is for spending per visit to recover and then level off in 2000. The strong gains seen since 1992 have been most striking for outbound travel though intraprovincial spending per visit has also recovered since 1995. Beyond 2000, only modest gains are expected in spending per visit.

2. Intraprovincial

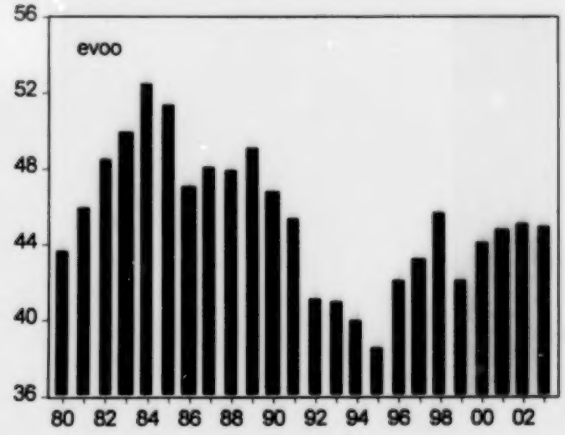
Visits from Ontario in Ontario, 0000s



Spending from Ontario in Ontario, $MCan



SPV from Ontario in Ontario, Constant $Can



Visits

Visits by Ontarians within Ontario rose modestly in 1998. Available data points to a large gain in 1999 broadly spread across same-day and overnight sectors and across business and non-business markets. But the strongest gains are expected in the overnight non-business market. These gains are not expected to be sustained in 2000. Intraprovincial travel has probably levelled off, and some weakening is likely through to 2001.

Spending

Total spending on intraprovincial travel has continued to rise since 1997, and available data points to modest gains in 1999 with further modest gains expected through the forecast period. In contrast, spending per visit, adjusted for inflation, probably peaked in 1998 with a sharp reversal expected in 1999 - especially for overnight travel. We are expecting spending per visit to recover in 2000 but then stay generally flat through to 2003.

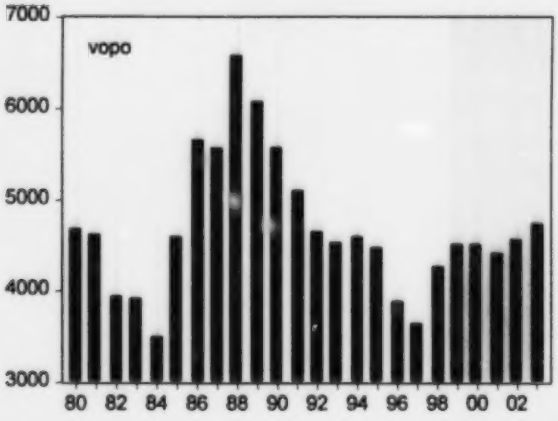
Factors

Ontario's economic output has continued to show strong gains in 1999 for the third consecutive year. However, the economy is expected to decelerate in 2000 and subsequently through the forecast period. As is usually the case, however, disposable income adjusted for inflation has lagged behind. There were strong gains in 1998, but growth has been weak in 1999; only in 2000 are sustained income gains expected. The income gains are expected to have a mixed impact on travel. Although stronger income gains will boost travel, they will also encourage switching of both visits and spending to alternative destinations outside the province.

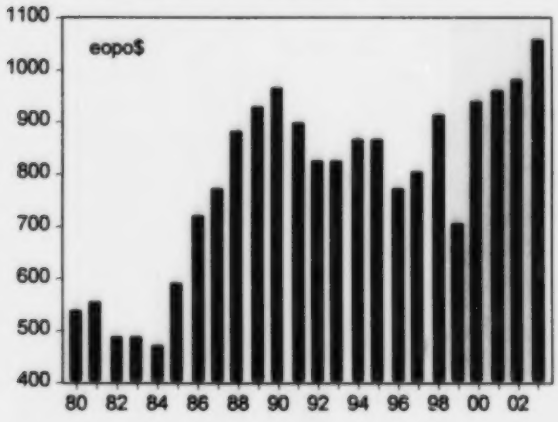
The recent weakness in the Canadian dollar has hampered travel across the border. However, this has not necessarily been to the benefit of Ontario since the rest of Canada has also attracted visits as an alternative destination. Particularly damaging to the travel within the province has been the strong gains in tourism prices in Ontario relative to the rest of Canada, as well as relative to the US.

3. Interprovincial - Inbound

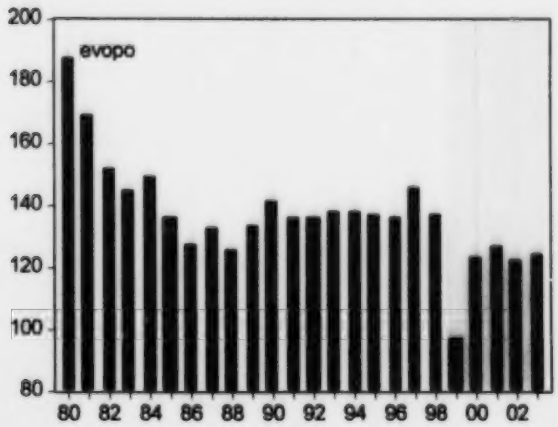
Visits from Other Provinces to Ontario, 0000s



Spending from Other Provinces in Ontario, $MCan



SPV from Other Provinces in Ontario, Constant $Can



Visits

Visits from the rest of Canada to Ontario bounced back in 1998 from the trough reached in 1997, while data available for 1999 points to a further gain. The outlook is for visits to stay flat in 2000 with modest gains later in the forecast period. These gains are mainly from Quebec which accounts for around two thirds of visits. In contrast, visits from the rest of Canada, other than Quebec, are expected to continue trending down. And between personal and business visits, the gains are focused in the non-business market, while business travel is expected to continue trending downwards.

Spending

Total spending by visitors from the rest of Canada has increased each successive year since it bottomed out in 1996. Available data points to a sharp reversal in 1999 though we expect an equally sharp recovery in 2000. Aside from the likely decline in 1999, the generally upward trend is expected to continue through the forecast period. On the other hand, the outlook for spending per visit, adjusted for inflation, is less positive, and we are expecting a downward drift.

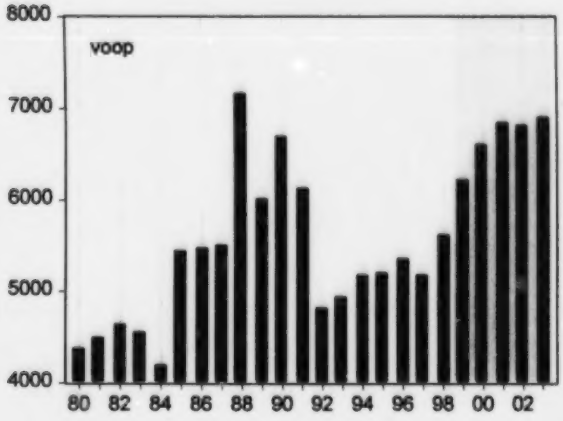
Factors

The recovery of visits in this market reflects the cyclical economic recovery of employment and disposable income. This is particularly the case for Quebec where employment and income growth has remained weak. It also reflects the impact of the sharp deterioration of the Canadian dollar over the past few years. As incomes and the Canadian dollar recover, the rest of Canada is expected to switch to other destinations, and this will contribute to the weakness in spending per visit.

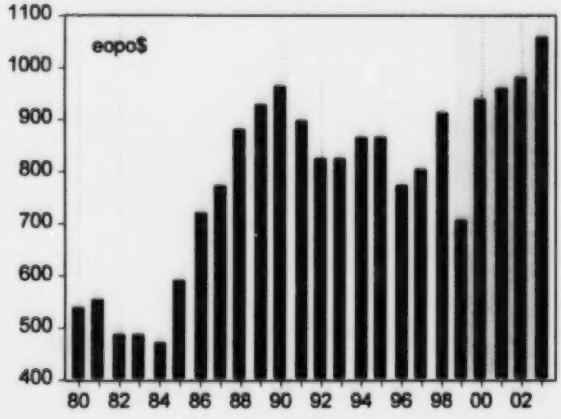
Probably the single most decisive factor behind the weakness in spending per visit is the relative tourism prices. Tourism prices in Ontario have continued to move ahead of tourism prices in the rest of Canada. And this is expected to continue and accelerate through 2000.

4. Interprovincial - Outbound

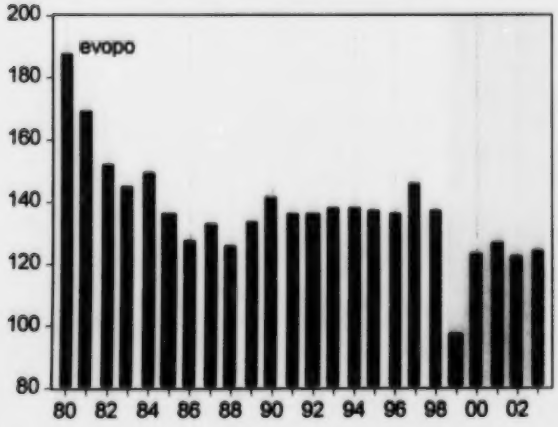
Visits from Ontario to Other Provinces, 0000s



Spending from Other Provinces in Ontario, $MCan



SPV from Other Provinces in Ontario, Constant $Can



Visits

Visits by Ontario residents to the rest of Canada have shown modest gains since 1992 - except for a mild drop in 1997. In contrast, the data available for 1999 points to substantial gains. The outlook projects further strong gains with the number of visits perhaps peaking in the tail end of the forecast period. The gains have been robust in both the same-day and the overnight markets, but future gains are expected to be concentrated in the latter sector.

Spending

Total spending has continued to trend upwards and - aside from a temporary reversal in 1999 - this is expected to continue and accelerate through the forecast period. There have also been some very strong gains in spending per visit in the past few years. However, the data for 1999 suggests that spending per visit, adjusted for inflation, has probably declined sharply in 1999. We suspect that this is probably temporary and that strong growth will resume in 2000, especially in the overnight market.

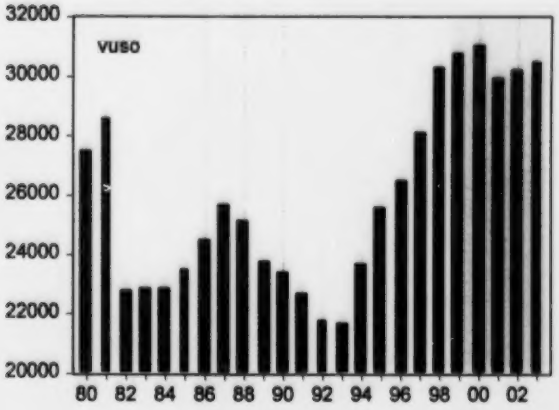
Factors

Travel in this market has been weak in spite of the strength in the Ontario economy. Real GDP growth in Ontario has now been strong for three consecutive years, though growth is now expected to decelerate. As is usually the case, however, disposable income adjusted for inflation has lagged behind. There were strong gains in 1998, but growth has been weak in 1999; only in 2000 are sustained income gains expected.

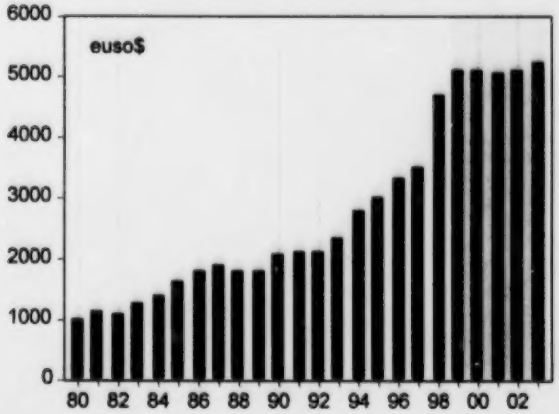
The acceleration in disposable income growth is one significant factor behind the projected acceleration in growth of visits and spending in this market. But this is offset by the large gains in Ontario's tourism prices relative to those in other provinces that are projected to persist in level terms through the forecast period.

5. United States - Inbound

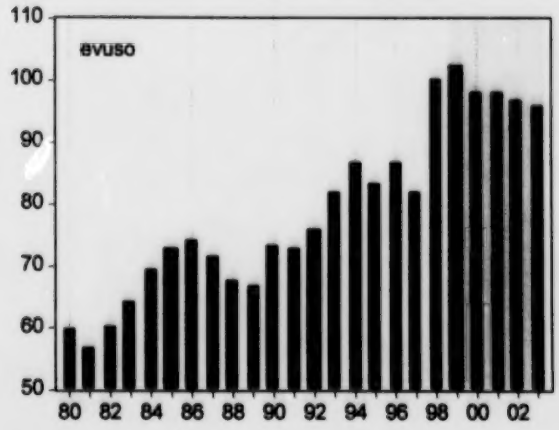
Visits from the US to Ontario, 0000s



Spending from the US in Ontario, $MCan



SPV from the US in Ontario, Constant $Can



Visits

The large gains in the number of visits from the US to Ontario over 1994-98 appear to have ended. Visits rose 8 percent in 1998, but the data available for 1999 points to a much more modest gain of 2 percent. A further modest gain is expected in 2000 but this will be followed by a decline in 2001. A similar pattern is expected for both same-day and overnight visits, though we do expect the overnight market to soften sooner.

Spending

As with the number of visits, total spending by US visitors in Ontario has recently surged upwards and is expected to peak in 2000 and decline in 2001.

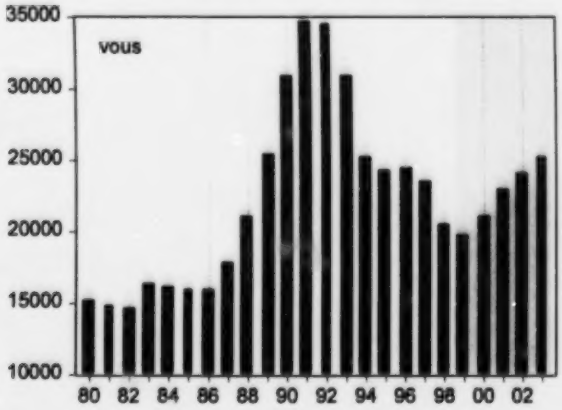
Factors

The sharp depreciation of the Canadian versus the US dollar over recent years has been a major cause of the strong gains in this market. However, the Canadian dollar has almost certainly bottomed out, and the projected appreciation of the currency will underpin the projected weakness in this market. But the currency is not the only factor: the strength of Ontario's tourism sector has also resulted in increases in Ontario's tourism prices relative to those of the United States, as well as those of other destinations in Canada. And Ontario prices are only expected to moderate slowly as the Canadian dollar appreciates and erodes Ontario's price competitiveness.

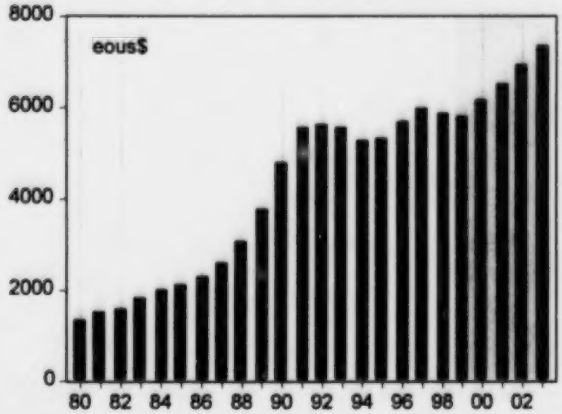
The strength in this market has also been underpinned by the continued strength in the US economy. Economists have almost given up trying to call for the end of the current business cycle, but do nevertheless expect the economy to slow down in 2000, with output growth bottoming out in 2002. On the upside, though, as is typically the case, disposable income growth is strongest at the tail end of the cycle and not expected to show any marked deceleration until 2001.

6. United States - Outbound

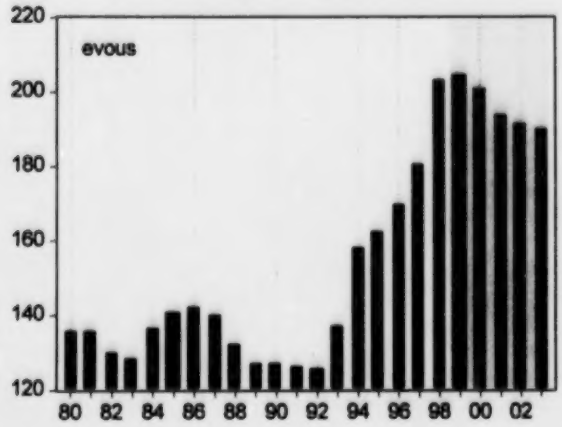
Visits from Ontario to the US, 0000s



Spending from Ontario in the US, $MCan



SPV from Ontario in the US, Constant $Can



Visits

Visits by Ontario residents to the US have been in decline since the Canadian dollar peaked in 1992. This weakness has been almost entirely due to declines in the much larger non-business travel – same-day as well as overnight. Data available for 1999 points to another year of decline, but the relatively small magnitude of this decline suggests that the downward trend has probably bottomed out. The outlook is for sizeable gains in 2000 and through the rest of the forecast period.

Spending

In contrast to visits, total spending by Ontarians in the US has remained relatively flat through the decade. Adjusted for inflation, spending per visit has shown strong gains since 1992. The outlook is for total spending to weaken in 1999, followed by modest gains through the forecast period. Inflation-adjusted spending per visit has probably peaked in 1999 and is expected to trend down through the forecast period.

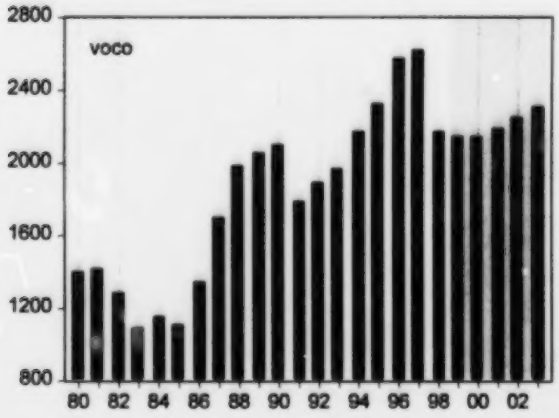
Factors

Travel in this market has been weak despite the recovery of the Ontario economy. The projected acceleration of disposable income growth is an important factor behind the projected recovery of travel to the US through the forecast period.

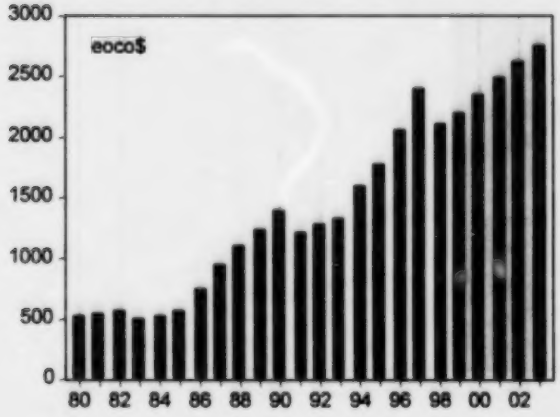
The depreciation of the Canadian dollar has been a major cause of the weakness in the number of visits to the United States. The projected appreciation of the Canadian dollar will increase visits to the United States, but will have, a priori, an ambiguous impact on spending denominated in Canadian dollars. The outlook calls for total spending in Canadian dollars to rise, and for spending per visit (in Canadian dollars) to stay flat and to decline once adjusted for inflation.

7. Overseas - Inbound

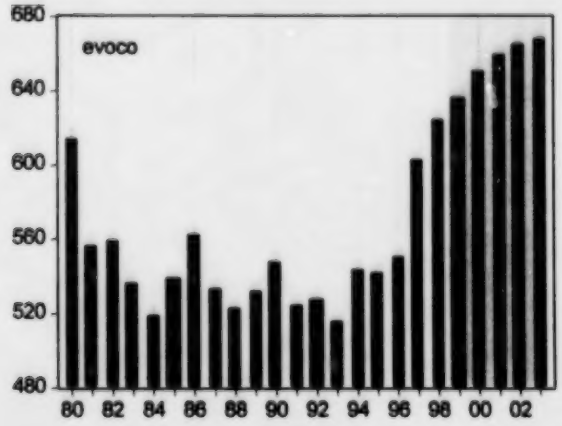
Visits from Overseas Countries to Ontario, 0000s



Spending from Overseas Countries in Ontario, $MCan



SPV from Overseas Countries in Ontario, Constant $Can



Visits

Overseas visits to Ontario - the UK, Japan, France and Germany contributing 50 percent - had shown large gains over 1994-97. This was, however, reversed in 1998 with a decline of 17 percent. The data available for 1999 confirms this reversal, but the data also suggests that perhaps the worst is now over. We estimate that visits will only dip between 1 and 2 percent in 1999 and stay flat in 2000. We can expect to see some modest gains through the rest of the forecast period.

Spending

Total spending by overseas visitors to Ontario also dropped sharply in 1998 (14 percent). However, in contrast to visits, we expect spending to show strong gains, and this will be reflected in the continuation of the gains in spending per visit (adjusted for inflation).

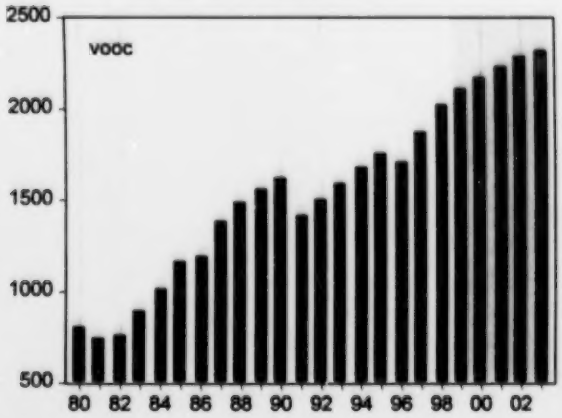
Factors

The decline in visits in 1998 was spread in all overseas markets. The fallout from the East Asia crisis, followed by anxieties over Russia, were likely the major global causes. The fears of a global recession have now all but vanished, and a healthier global economic environment should provide support for modest gains in this sector. Other more regional factors, though, continue to play an important part. In Japan, the economy has bottomed out but remains weak: real disposable income has continued to decline and is not expected to start rising till 2001. Similarly, the economy remains weak in the UK: real disposable income has flattened out, and no gains are foreseen until 2002. A different picture, though, emerges in Germany and France where income growth remains even.

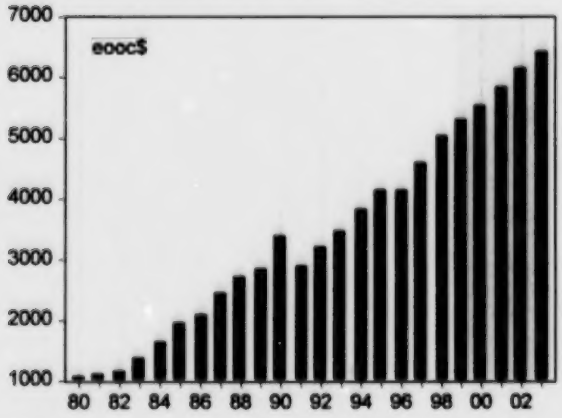
A major cause of the weakness in visits has been the recent increases in the cost of an overseas visit to Ontario, as reflected in the recent surge in spending per visit. This is the result of the increases in Ontario's tourism prices and the gains of the Canadian dollar, on the back of the US dollar, against a number of overseas currencies.

8. Overseas - Outbound

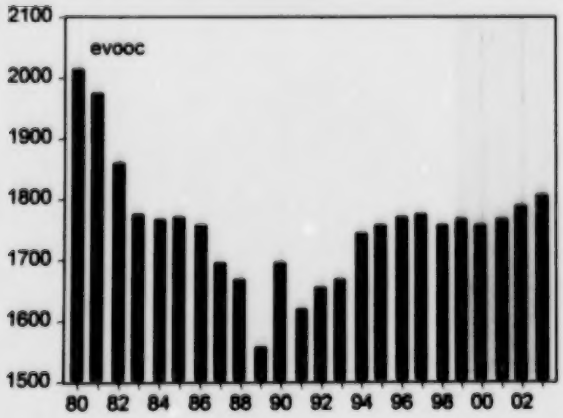
Visits from Ontario to Overseas Countries, 0000s



Spending from Ontario in Overseas Countries, $MCan



SPV from Ontario in Overseas Countries, Constant $Can



Visits

Apart from a small drop in 1996, visits by Ontario residents to overseas destinations have continued to trend upwards since the recession in 1991. The outlook is for continued gains through the forecast period.

Spending

As with visits, total spending in this market has also trended upwards steadily since 1991 and is expected to continue to do so. However, once adjusted for inflation, spending per visit has remained generally flat since 1994. The outlook is for inflation-adjusted spending per visit to remain flat over the forecast period.

Factors

Over the long term, travel to overseas countries has been driven by the increased affluence of Ontario's residents, as measured by gains in real disposable incomes. Although growth has generally weakened since the high growth rates of the 1980s, only in 1991 and in 1996 has growth in travel to overseas countries not been positive. And this has been true of both the number of visits and total spending.

The growth in visits has occurred in spite of sustained gains - through the 1980s and into the mid-1990s - in the exchange rate adjusted prices in the overseas markets (Europe and Japan) relative to Ontario. This trend in relative prices has been reversed since around 1994 and is expected to persist through the forecast period, thus providing support for growth in travel to overseas countries. But it also underlies the recent and projected leveling off in inflation-adjusted spending per visit.

Ontario Tourism Outlook									November 1999	
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Balance - Visits, 000s	-1659.0	1163.0	1312.0	3694.0	8558.0	9294.2	7818.4	4568.1	3777.4	3015.9
Difference	7513.0	2822.0	149.0	2382.0	4864.0	736.2	-1475.7	-3250.3	-790.7	-761.6
Balance - Spending M$Can	-5439.0	-5491.0	-5712.0	-5887.0	-5436.0	-5715.7	-6238.1	-7054.3	-7621.3	-8068.2
Difference	634.0	-52.0	-221.0	-175.0	451.0	-279.7	-522.4	-816.2	-566.9	-447.0
Visits, from All Origins	112201	112205	106289	101189	107160	118365	117407	115397	117074	118830
Percent Change	-2.23	0.00	-5.27	-4.80	5.90	10.46	-0.81	-1.71	1.45	1.50
Spending, from All Origins	9719	10008	10691	11094	12781	13533	14338	14583	15051	15636
Percent Change	5.6	3.0	6.8	3.8	15.2	5.9	5.9	1.7	3.2	3.9
SPV inf.adj., from All Origins	63.7	63.2	69.0	72.2	76.6	70.8	72.6	73.6	73.5	73.4
Percent Change	5.00	-0.88	9.29	4.62	6.06	-7.62	2.61	1.33	-0.07	-0.20
Visits, from Ontario	113860	111042	104977	97495	98602	109071	109589	110829	113296	115815
Percent Change	-8.1	-2.5	-5.5	-7.1	1.1	10.6	0.5	1.1	2.2	2.2
Spending, from Ontario	15158	15499	16403	16981	18217	19249	20576	21637	22672	23704
Percent Change	-0.78	2.25	5.83	3.52	7.28	5.67	6.89	5.16	4.78	4.55
SPV inf.adj., from Ontario	101.4	103.7	114.4	125.1	131.5	123.9	129.3	132.5	133.5	134.0
Percent Change	7.9	2.3	10.3	9.4	5.1	-5.8	4.3	2.5	0.7	0.4
Visits, Inbound	30507	32395	32988	34428	36834	37491	37702	38627	37061	37540
Percent Change	8.00	6.19	1.83	4.37	6.99	1.78	0.56	-2.85	1.19	1.29
Spending, Inbound	5273.0	5667.0	6195.0	6716.0	7773.0	8032.1	8415.8	8510.6	8733.1	9073.7
Percent Change	16.6	7.5	9.3	8.4	15.7	3.3	4.8	1.1	2.6	3.9
SPV inf.adj., Inbound	127.2	123.9	128.9	128.5	135.5	132.6	132.7	135.3	134.8	134.8
Percent Change	4.99	-2.58	4.04	-0.30	5.47	-2.16	0.09	1.93	-0.38	0.02
Visits, Outbound	32166	31232	31676	30734	28276	28197	29883	32059	33284	34524
Percent Change	-14.0	-2.9	1.4	-3.0	-8.0	-0.3	6.0	7.3	3.8	3.7
Spending, Outbound	10712	11158	11907	12603	13209	13748	14654	15565	16354	17142
Percent Change	1.11	4.16	6.71	5.85	4.81	4.08	6.59	6.22	5.07	4.82
SPV inf.adj., Outbound	253.6	265.5	275.2	294.6	332.6	342.4	337.6	329.6	327.8	325.1
Percent Change	17.6	4.7	3.6	7.1	12.9	3.0	-1.4	-2.4	-0.5	-0.8

Ontario Tourism Outlook (Continued)									November 1999	
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Visits, Intraprovincial	81694	79810	73301	66761	70326	80875	79705	78770	80012	81290
Percent Change	-5.6	-2.3	-8.2	-8.9	5.3	15.0	-1.4	-1.2	1.6	1.6
Spending, Intraprovincial	4446.0	4341.0	4496.0	4378.0	5008.0	5501.4	5922.0	6072.0	6317.6	6561.8
Percent Change	-5.1	-2.4	3.6	-2.6	14.4	9.9	7.6	2.5	4.0	3.9
SPV inf.adj., Intraprovincial	40.0	38.5	42.1	43.2	45.7	42.1	44.2	44.9	45.2	45.0
Percent Change	-2.25	-3.80	9.28	2.62	5.87	-7.95	4.93	1.59	0.62	-0.31
Visits, from RoC	4605.0	4473.0	3898.0	3636.0	4276.0	4512.3	4518.8	4410.4	4568.7	4760.8
Percent Change	1.5	-2.9	-12.9	-6.7	17.6	5.5	0.1	-2.4	3.6	4.2
Spending, from RoC	865.0	868.0	775.0	805.0	916.0	708.1	939.0	961.2	980.4	1058.3
Percent Change	4.7	0.3	-10.7	3.9	13.8	-22.7	32.6	2.4	2.0	7.9
SPV inf.adj., from RoC	138.2	137.4	136.5	145.8	137.6	97.1	123.6	126.9	122.7	124.0
Percent Change	0.3	-0.6	-0.7	6.9	-5.7	-29.4	27.2	2.7	-3.3	1.0
Visits, to RoC	5181.0	5210.0	5376.0	5179.0	5618.0	6217.6	6605.5	6838.6	6818.7	6899.6
Percent Change	5.0	0.6	3.2	-3.7	8.5	10.7	6.2	3.5	-0.3	1.2
Spending, to RoC	1600.0	1674.0	2050.0	2013.0	2292.0	2651.5	2936.7	3188.0	3257.4	3357.2
Percent Change	2.9	4.6	22.5	-1.8	13.9	15.7	10.8	8.6	2.2	3.1
SPV inf.adj., to RoC	235.2	238.8	279.2	279.3	290.4	299.5	306.1	316.5	318.7	318.6
Percent Change	-2.0	1.5	16.9	0.0	4.0	3.1	2.2	3.4	0.7	0.0
Visits, from the US	23719	25595	26509	28165	30377	30829	31034	30021	30241	30474
Percent Change	9.11	7.91	3.57	6.25	7.85	1.49	0.66	-3.26	0.73	0.77
Spending, from the US	2796.0	3020.0	3350.0	3505.0	4736.0	5115.0	5122.8	5062.0	5130.5	5253.7
Percent Change	18.9	8.0	10.9	4.6	35.1	8.0	0.2	-1.2	1.4	2.4
SPV inf.adj., from the US	86.7	83.6	86.7	82.0	100.1	102.7	98.2	98.2	97.0	96.1
Percent Change	5.9	-3.7	3.8	-5.5	22.1	2.6	-4.4	0.0	-1.2	-0.9
Visits, to the US	25305	24263	24579	23683	20625	19868	21104	22980	24167	25299
Percent Change	-18.1	-4.1	1.3	-3.6	-12.9	-3.7	6.2	8.9	5.2	4.7
Spending, to the US	5263.0	5319.0	5696.0	5966.0	5892.0	5790.8	6168.4	6548.3	6941.8	7358.4
Percent Change	-5.21	1.06	7.09	4.74	-1.24	-1.72	6.52	6.16	6.01	6.00
SPV inf.adj., to the US	158.4	162.9	169.6	181.0	203.4	204.7	201.2	193.4	191.6	190.4
Percent Change	15.6	2.9	4.1	6.7	12.4	0.6	-1.7	-3.9	-0.9	-0.6
Visits, from Overseas	2183.0	2327.0	2581.0	2627.0	2181.0	2149.3	2149.3	2194.9	2252.1	2305.3
Percent Change	10.700	6.596	10.915	1.782	-16.978	-1.453	0.000	2.120	2.607	2.363
Spending, from Overseas	1612.0	1779.0	2070.0	2406.0	2121.0	2209.0	2354.0	2487.4	2622.2	2761.7
Percent Change	20.0	10.4	16.4	16.2	-11.8	4.1	6.6	5.7	5.4	5.3
SPV inf.adj., from Overseas	543.3	541.4	550.5	603.3	624.6	636.1	651.2	659.8	665.9	668.1
Percent Change	5.41	-0.35	1.67	9.61	3.52	1.84	2.38	1.32	0.92	0.33
Visits, to Overseas	1680.0	1759.0	1721.0	1872.0	2033.0	2110.6	2173.9	2240.3	2298.5	2326.0
Percent Change	5.53	4.70	-2.16	8.77	8.60	3.82	3.00	3.06	2.60	1.20
Spending, to Overseas	3849.0	4165.0	4161.0	4624.0	5025.0	5305.5	5548.8	5828.6	6155.1	6426.4
Percent Change	10.4	8.2	-0.1	11.1	8.7	5.6	4.6	5.0	5.6	4.4
SPV inf.adj., to Overseas	1744.6	1759.8	1769.9	1774.7	1759.6	1765.2	1757.4	1766.2	1786.6	1809.0
Percent Change	4.53	0.87	0.58	0.27	-0.85	0.32	-0.44	0.50	1.16	1.26

Notes to Table

Visits:	Measured in 000s.
Spending:	Canadian dollar spending measured $Can million.
SPV inf.adj.	Spending per visit adjusted for inflation measured in $Can.
Balance:	Inbound less outbound.
All Origins:	Travel from all origins, including Ontario, to Ontario.
From Ontario:	Travel from Ontario to all Destinations, including Ontario.
Inbound:	Travel from all Origins outside Ontario to Ontario
Outbound:	Travel from Ontario to all Destinations outside Ontario.
From/To RoC:	Travel from/to the Rest of Canada to/from Ontario
From /To the US:	Travel from/to the US to/from Ontario
From/to Overseas:	Travel from/to Overseas Countries to/from Ontario.

Technical Notes

The outlook was undertaken using the Ontario Tourism Forecasting Model II, developed in January 1999. This model is itself a sequel to an earlier version of the model developed in 1993. This forecast follows the last forecast delivered in February 1999.

The forecast has made use of economic historical data and forecasts from Standard and Poors DRI. Data and forecasts are as of the end of September 1999. Ontario tourism data, including tourism price data, was obtained from the Tourism Policy and Research Branch of the Ontario Ministry of Tourism. Ontario tourism data are as of the end of October 1999. All Ontario tourism data was available for 1998. For 1999, data availability was selective. For intra- and inter- provincial travel, monthly data was available up till August 1999. For international travel, inbound border crossings were available up to, and including, August 1999.

The model was constructed in late 1998 using Standard and Poors DRI data as of October 1998. Since then, there have been a number of significant revisions to the data. In particular, Canada and Ontario economic data is now available on the new 1992 National Accounting and Provincial Accounting system - inflation adjustment using 1992 as the base year. This is in contrast to the earlier data, which used 1986 as the base year. Similarly, DRI's international data has been rebased from 1995 to 1997. The equations of the model have not been re-estimated to take into account these significant data revisions. Instead the data sets available as of February 1999 were used and updated using the growth rates of the new data sets. A full revision of the model to take into account the new databases will be undertaken before the next forecast round.

Even so, all the equations were re-estimated - though not restructured - to reflect slight modifications in the pattern of the data over recent years. These modifications in the data are the normal result of data being updated and revised. Moreover, a number of the model equations were fully restructured and re-estimated in response to their unsatisfactory performance in the previous forecast. The equation specifications available in the model manual of January 1999 are therefore now dated. The specification of the new model equations can, however, be obtained from the workfile, which has been sent to the Ministry.